

Condominium Review Committee Report

During fiscal year 1996, the Condominium Review Committee was chaired by Commissioner Carol Mon Lee with Commissioner Michael Ching as Vice-Chair.

The responsibilities of this committee include, but are not limited to, education, association registrations, governance and project registration for condominium property regime.

CONDOMINIUM ASSOCIATION REGISTRATION

Every condominium association with six or more units must register by December 31 of each year. An association which fails to register will not have standing to maintain any action in a state court.

In 1996, 1,161 associations, representing 101,629 apartments, registered with the Commission, compared to 999 associations representing 85,296 apartments in 1995. However, some of the increase in registrations in 1996 can be attributed to a number of late registrations in 1995.

Figure 5 shows association registrations by fiscal year beginning in 1990, when the requirement was instituted. The 1996 Legislature amended Ch.514A, HRS, by changing the registration period for associations of apartment owners and condominium managing agents from annual to biennial beginning June 30, 1997.

Condominium Association Registration		
Fiscal Year	Non-Apts. Registered	Non-Apts. Registered
1990	201	20,066
1991	809	74,916
1992	968	87,127
1993	1,049	91,424
1994	1,114	95,827
1995	999	85,296
1996	1,161	101,629

Fig. 5

Condominium Project Public Reports Fiscal Year						
	1991	1992	1993	1994	1995	1996
Public Reports—Effective Date Issued						
Preliminary	46	41	36	36	27	29
Final	218	205	222	208	243	249
Supplementary	27	31	26	14	42	40
Total	291	277	284	258	312	318
Owner-Occupant Ads Reviewed	NA	NA	NA	NA	73	73
Extensions Authorized	67	67	89	111.2	187	336

Fig. 6

PROJECT REGISTRATION

Developers of new condominium projects are required by law to file public reports with the Commission, and the Commission must issue an effective date for a final report prior to sales to the public. As shown in Figure 8, the Commission processed filings for 78 new condominium projects in 1996, down significantly from 1995's 102 new projects. There were only 37 new residential project filings, also down significantly from the 60 in 1995.

Figure 6 compares the number of effective dates issued for the three types of public reports over the past six years. The total of 318 in 1996 was nearly identical to the 312 issued in 1995.

SPECIALIST'S OFFICE FOR THE DAY

One of the Commission's more successful educational programs is the Condominium Specialist's Office for the Day. In this program, one of the three condominium specialists visits a neighbor island, usually at the local Regulated Industries Complaints Office (RICO), and sets up office for a day.

The specialist is available to answer any questions regarding the condominium property regime, including association and project registrations, governance, and condominium managing agent registrations. Neighbor island residents can make appointments to meet with a specialist for information, advice, or referral. In 1996, a condominium specialist was available for a day on Kauai.

HAWAII CONDOMINIUM BULLETIN

The *Hawaii Condominium Bulletin*, first published in the fall of 1991, is a quarterly newsletter which provides information on current topics in the condominium field. Publication of the *Bulletin* is a collaborative effort between the Commission and the HREREC. Eleven copies of each issue of the *Bulletin* are distributed to every registered condominium association and managing agent.

Each issue of the *Bulletin* focuses on a particular current topic and includes an Education Calendar and Letter from the Chair. In 1996, to improve its utility as a resource, the Commission initiated indexing of articles, and to increase accessibility, began publishing prior issues on the World Wide Web.

RULE MAKING

The Commission continues to work on an overhaul of Chapter 107, Hawaii Administrative Rules, Condominium Property Regimes. The overhaul includes revising rules relating to project registration, association registration, condominium managing agent registration, handling and disbursement of association funds, and arbitration.

HAWAII REAL ESTATE RESEARCH AND EDUCATION CENTER (HREREC)

Partially funded by the Condominium Management Education Fund (CMEF), the Hawaii Real Estate Research and Education Center (HREREC) provides research and educational programs that benefit both the real estate industry and consumers. This fiscal year, the HREREC continued work on the Board of Directors Guide by publishing a chapter entitled

Condominium Program

“Condominium Insurance Including Fidelity Bond.” Seminars based on the chapter were conducted on all islands. The seminars were available at no cost to condominium association directors, managing agents, real estate licensees, and other interested persons. Each registered association received a copy of the chapter.

The following is a list of some of the HREREC’s accomplishments in 1996:

- n 1996 Condominium Seminars “Condominium Insurance and Fidelity Bonds: Insuring Your Condominium Association’s Property and Assets for the 21st Century! (Four seminars throughout the State)
- n “2001. The Arrival. The Future of Association Living” (seminar)

CONDOMINIUM MEDIATION

Beginning in 1990, the Commission has contracted with outside agencies to provide condominium mediation services and training. In 1996, both the Neighborhood Justice Center and Mediation Services of Maui provided services.

This year, the Mediation Services of Maui received 6 cases, of which 1 case was conciliated, 3 cases were closed with no resolution between the parties, 1 case still open and 1 case to small claims court. The Neighborhood Justice Center received no cases this fiscal year.

INTERACTIVE PARTICIPATION WITH ORGANIZATIONS

The Commission maintains an excellent working relationship with local, state, and national organizations, such as: the Community Associations Institute (CAI), CAI Hawaii Chapter, the Blue Ribbon Panel, the South Maui Condominium Council, Hawaii Council of Associations of Apartment Owners (HCAAO), and Hawaii Independent Condominium and Cooperative Owners (HICCO).

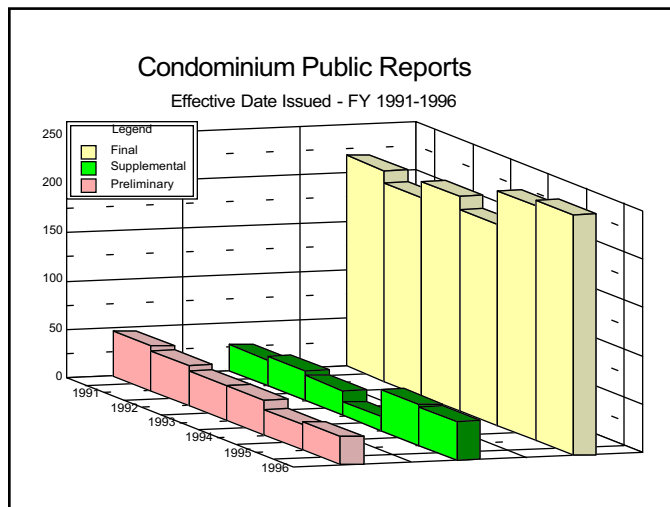


Fig. 7

ADVICE, EDUCATION, AND REFERRAL

As part of its educational program, the Commission prints and mails an updated reprint of the condominium property regime, Chapter 514A, Hawaii Revised Statutes, to every registered condominium association and managing agent.

In 1996, the Commission mailed 1,310 copies of the law.

In addition to other activities, the Commission’s staff responds to inquiries and provides general information relating to the laws and rules governing condominium project registrations, condominium governance, and condominium managing agents.

During the 1996 fiscal year, the staff responded to 35,600 (15,500 telephone, 1,300 walk-in, 18,800 written) condominium related inquiries and requests for information.

The staff reviews and provides information on the following types of license/registration/certification applications:

Association Registration

Project Registration—Filings Received

Project Registration—Reports Issued (Preliminary, Final, Supplement)

Extension Requests Received

Condominium Hotel Operators

Condominium Managing Agents

NEW CONDOMINIUM PROJECTS					
New Projects					
	Fiscal Year				
	1992	1993	1994	1995	1996
Residential	69	60	52	60	37
Commercial & Other	4	6	4	17	21
Agricultural	24	29	39	25	20
Total	97	95	95	102	78

New Residential Projects (By Project Size)					
Project Size (No. of Units)	Fiscal Year				
	1992	1993	1994	1995	1996
2 or less	25	23	12	23	15
3 - 15	11	4	5	8	7
16 - 50	19	16	12	13	5
Over 50	14	17	23	16	10
Total	69	60	52	60	37

Fig. 8